

Message Text

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71-62

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

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ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 JUSE-00

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INFO USMISSION OECD PARIS

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E.O. 11652: NA

TAGS: EFIN, EINV, ENRG, ELAB, GW

SUBJ: CHANCELLOR SCHMIDT CALLS FOR CODE OF CONDUCT
FOR MULTINATIONALS.

1. IN THE SECOND OF THREE PLANNED CONFERENCES ON
MULTINATIONAL ENTERPRISES (MNES), SPONSORED BY THE
SPD-AFFILIATED FRIEDRICH-EBERT INSTITUTE, CHANCELLOR
HELMUT SCHMIDT RENEWED AN APPEAL FOR THE ESTABLISH-
MENT OF AN INTERNATIONAL CODE OF CONDUCT FOR MNES,
WHICH HE FIRST MADE AT A NOV. 1974 INSTITUTE SEMINAR. SEE A-19,
1/75. SCHMIDT CRITICIZED THE SLOW PACE OF PROGRESS IN THIS
DIRECTION SINCE THE EARLIER CONFERENCE AND URGED
THE MNES TO WORK OUT WITH THE COOPERATION OF LABOR
ORGANIZATIONS A VOLUNTARY CODE WHICH WOULD PROVIDE
WORKABLE STANDARDS OF CONDUCT FOR MNES THROUGHOUT
THE WORLD.

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2. UNLIKE THE 1974 CONFERENCE, THE SESSIONS THIS WEEK WERE NOT ATTENDED BY AMERICAN CORPORATE REPRESENTATIVES, NOR WAS THE EMBASSY INVITED TO PARTICIPATE. AT THIS "EUROPEAN CONFERENCE OF MULTINATIONAL ENTERPRISES", PARTICIPATION WAS LIMITED TO MNES WITH CORPORATE HEADQUARTERS IN EUROPE, AND TO FRG OFFICIALS, REPRESENTATIVES OF THE FRIEDRICH EBERT INSTITUTE AND GERMAN INDUSTRIALISTS. AS WITH THE PREVIOUS CONFERENCE, THIS MEETING WAS CHAIRED BY FORMER BOARD CHAIRMAN OF FRIEDRICH KRUPP GMBH, ERNST MOMMSEN IN HIS CAPACITY OF HEAD OF THE INSTITUTE'S POLITICAL AND ECONOMIC DISCUSSION GROUP.

3. MOMMSEN ANNOUNCED TO THE PRESS AFTER THE CLOSE OF THE CONFERENCE THAT A WORKING GROUP HAD BEEN FORMED TO WORK OUT A DRAFT CODE. HOWEVER, HE COULD NOT SAY WHAT FORM THIS CODE WOULD TAKE, NOR WHEN IT COULD BE EXPECTED TO BE READY. HE SAID THAT HE HOPED THE CODE WOULD COVER THREE MAIN POINTS: THE RESPECT FOR NATIONAL LAWS AND NATIONAL CUSTOMS BY MNES, THE DEGREE OF "TRANSPARENCY" OF CORPORATE POLICY AS REGARDS RELATIONS BETWEEN CORPORATE HEADQUARTERS AND FOREIGN SUBSIDIARIES, AND THE ESTABLISHMENT OF BINDING NORMS TO PRECLUDE EXCESSIVE SECRECY IN MNES' INTERNATIONAL ACTIVITIES. AS HAD SCHMIDT, MOMMSEN ADVOCATED A VOLUNTARY ADHERENCE TO A CODE RATHER THAN AN INTERNATIONAL LAW, THE COMPOSITION AND RATIFICATION OF WHICH WOULD TAKE EXCESSIVE TIME. MOMMSEN EXPRESSED THE VIEW THAT IT WOULD BE PARTICULARLY DIFFICULT TO BRING THE COUNTRIES OF THE THIRD WORLD INTO HARMONY WITH ANY SORT OF INTERNATIONAL LAW GOVERNING MNE CONDUCT, SINCE THESE COUNTRIES' MARKET AND RESOURCE POLICIES WERE SO DIFFERENT FROM THOSE OF THE INDUSTRIALIZED WORLD.

4. SPEAKING FOR EUROPEAN LABOR, HEINZ O. VETTER, CHAIRMAN OF THE EUROPEAN LABOR FEDERATION, EXPRESSED KEEN INTEREST IN THE PLANNED CODE, A SUBJECT WHICH HAS BEEN ONE OF HIS PRIME INTERESTS FOR SOME TIME. TOGETHER WITH MOMMSEN, VETTER EXPRESSED THE VIEW

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THAT THE CONFERENCE HAD MORE OR LESS AGREED ON THE POLITICAL AND ECONOMIC OBLIGATIONS OF MNES. IT WAS FURTHER EVIDENT, ACCORDING TO VETTER, THAT THE QUESTION OF CODETERMINATION HAD MOVED FORWARD CONSIDERABLY SINCE THE LAST CONFERENCE.

5. AFTER THE GERMAN/AMERICAN DIALOGUE OF NOV. 74 AND THE JUST CONCLUDED EUROPEAN MNE CONFERENCE, THE

INSTITUTE NOW PLANS A THIRD EUROPEAN/AMERICAN
CONFERENCE. JUST WHEN THIS THIRD CONFERENCE IS TO
TAKE PLACE WILL DEPEND IN GREAT MEASURE ON HOW
QUICKLY THE WORKING GROUP CAN PUT TOGETHER AN
ACCEPTABLE DRAFT CODE.
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